APPENDIX A.

IN THE

UNITED STATES CIRCUIT COURT OF APPEALS,

FOR THE SEVENTH CIRCUIT.

OCTOBER TERM AND SESSION, 1926.

No. 3740.

R. W. CLARK MANUFACTURING COMPANY, Appellant, vs. TABLET & TICKET COMPANY, Appellee.	Appeal from the District Court of the United States for the Northern District of Illinois, Eastern Division.

December 22, 1926.

Before ALSCHULER, EVANS and ANDERSON, *Circuit Judges.*

EVANS, *Cir. J.:* This appeal involves the validity and the infringement of patent No. 1,207,711. It calls for an examination of the evidence disclosing the prior art and the alleged prior public use of the patented article. No question other than one of fact is involved.

There has been a total failure to comply with Supreme Court Equity Rule 75 in the preparation of the testimony. In short, there has been no effort made to condense or to eliminate unnecessary portions, or to put in narrative form the material testimony of the witnesses.

In view of the policy adopted by this court in *Barber Asphalt Paving Co.* v. *Standard Asphalt & Rubber Co.*, and

followed in other cases announced at this term, we can not review the record to ascertain whether the evidence supports the decree.

The Barber Asphalt case was announced in the belief that the only effective way to secure a compliance with this Rule 75 is to enforce it. And obviously it can not be enforced in one case and ignored in another.

It was the flagrant abuse of Equity Rule 75 that lead to the promulgation of this decision, an abuse that resulted in great delay and needless expense to the litigants, and to the imposition of an unfair burden on the court. The litigants have a right to expect the courts to relieve them of this unnecessary expense, and the unnecessary delay, which unavoidably follows an attempt to dispose of litigation in such an awkward and cumbersome manner. For fourteen years the courts have appealed to the bar to comply with the rule. They have scolded and they have threatened, and yet the records in patent suits have grown longer and longer, and are loaded more and more with useless documents and irrelevant testimony.

In almost all state appellate courts, a rule similar to this one exists and is enforced. The Federal courts enforce a similar rule respecting bills of exceptions in common law actions. *Jones* v. *G. & B. Sewing Machine Co.*, 131 U. S. App. cl; *Mueller* v. *Ehlers*, 91 U. S. 249.

This rule is followed generally in the federal courts save by a limited branch of the profession. We feel confident that once it is cheerfully accepted by this group, its advantages will be uniformly recognized.

The decree is affirmed.

APPENDIX B.

ALSCHULER, *Cir. J.*, dissenting: Assuming to follow the policy adopted in the Barber Asphalt Paving Company case (Dec. 13, 1926), and stating in the majority opinion herein that Rule 75 "cannot be enforced in one case and ignored in another," it seems that my brethren have concluded *sua sponte* to affirm the decree in this and all other equity appeals which we have heretofore heard and are pending for decisions, where the evidence necessary to be considered in deciding the cause appears in the transcript in question and answer form, without condensation and approval as required by Rule 75.

I cannot in this appeal, nor in others in like situation, give assent to affirmance of the decree, because only of transgression of the Rule.

While in Barber Asphalt the appellee insistently moved and urged dismissal of the appeal because of noncompliance with the rule, in this case, as in most, if not all the others, the transcript was prepared under stipulation of counsel for all parties, and consent of the trial judge. Here there is also a stipulated order of this court entered under my direction, permitting the use on this appeal of such transcript. The briefs were prepared and oral arguments made and heard evidently on the faith of counsel, as well as court, that the transcript was in this respect unobjectionable—or at least acceptable.

Notwithstanding the rule, the most usual practice in most districts of this circuit, in the preparation of transcripts for equity appeals—particularly in patent cases—has been for counsel to stipulate that an uncondensed shorthand report of the oral testimony be incorporated in the transcript, and for the trial judge, by order or endorsement on the transcript, to consent thereto; and so far as my judicial experience extends, and the reports indicate, this court has always heard such appeals and disposed of them on their merits, no ques-

tion as to observance of the rule being raised by court or counsel.

I can agree that the seemingly broad exception to the operation of Rule 75(b), viz: "save if either party desires it, and the court or judge so directs, any part of the testimony shall be reproduced in the exact words of the witness," does not contemplate that by the trial judge's perfunctory assent to such stipulation of counsel, observances of the rule may be avoided; and, further, that such consent is usually an improvident and unwarranted application of the saving clause. *Firestone Tire, etc., Co.* v. *Seberling*, 235 Fed. 891; *Buckeye Cotton Oil Co.* v. *Ragland*, 11th Fed. (2d) 522. Also, that such order of consent by the Circuit Court of Appeals or any judge thereof, as was made in this case, is likewise improvident and objectionable and should not have been made.

I do not know what the practice in this respect has been in other circuits. That there have been transgressions with which they, as well as the Supreme Court, have dealt, the reported decisions indicate. But notwithstanding the fourteen years' existence of the rule, I have yet to find the first instance where a federal court of appellate jurisdiction has affirmed a decree in equity or dismissed the appeal for failure to make and to have certified a condensed statement of the evidence.

Indeed, without the statement by the Supreme Court in *Newton* v. *Consolidated Gas Co.*, 258 U. S. 165, that in case of such transgression thereafter, that court will feel at liberty to penalize the transgressor "to the limit of our discretion—possibly by dismissal of the appeal", (which in that case was not done, but the 20,000-page uncondensed transcript considered on its merits), it might well have been doubted whether the consequence of noncompliance could properly extend beyond such penalization as might come through the awarding or withholding of costs. For Rule 76, after providing for the exclusion of immaterial parts of documents and papers, states: "and for any infraction of

this or any kindred rule the appellate court may withhold or impose costs as the circumstances of the case and the discouragement of like infractions in the future may require. Costs for such an infraction may be imposed upon the offending solicitors as well as parties." And which of the equity rules is more kindred to Rule 76 than 75?

But accepting affirmance or dismissal as a permissible consequence of noncompliance with Rule 75, the very fact that, as appears from the cases cited in the Barber Asphalt opinion, and in others, the courts did not impose it, but quite generally overlooked the transgression in the particular case, and determined it on its merits, makes it apparent that the manner and extent of penalization rests with the court wherein the appeal is pending.

My contention is, not that this court is without power in a proper case to impose dismissal or affirmance as a consequence of the infraction, but that this court's long acquiescence in the practice here followed makes it highly inequitable here to impose the capital penalty of affirmance without first affording opportunity to comply with the rule, in whose long non-observance this court has, at least impliedly, seemed to invite litigants to continue.

I believe that in this case such opportunity could and should have been given, and that affirmance on the court's own motion, without reasonable opportunity for compliance, is an unreasonable exercise of the court's discretion.

I believe this court has the power to make such an order, and the district judge thereupon to certify a proper statement of the record, notwithstanding the term has passed; and am in accord with the Sixth C. C. A. in its statement that where an appeal has been taken in apt time, the preparation of the record to comply with Rule 75(b) is a ministerial matter, to which the district court or judge may certify at any time, regardless of terms of court. *Re General Equity Rule* 75, 222 Fed. 884; also *Struett* v. *Hill*, 269 Fed. 247; *Sussex Land, etc. Co.* v. *Midwest Ref. Co.*, 294 Fed. 597.

Such course would cause some delay and expense, but the parties affected could not properly complain since by their stipulation, albeit made in good faith, they became the prime factors in transgression of the rule.

NOTE: The foregoing opinion, although not reported in the Federal Reporter, is referred to by Judge Alschuler as stating the reasons for his dissent in *Fairbanks, Morse & Co.* v. *American Valve & Meter Co.*, 18 Fed. (2nd) 716, 718.